

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF ARKANSAS
FAYETTEVILLE DIVISION**

**IN RE: NATIONAL HOME CENTERS, INC.,
Debtor**

**CASE NO. 5:09-bk-76195
CHAPTER 11**

**DEBTOR'S MOTION FOR AUTHORITY
TO SELL REAL PROPERTY FREE AND CLEAR OF LIENS
(Clarksville 1003 Interstate Drive/84 Lumber Property)**

National Home Centers, Inc., ("NHC" or "Debtor"), for its Motion for Authority to Sell Property Free and Clear of Liens (the "Motion"), states:

1. Debtor filed its petition in bankruptcy under Chapter 11 of the Bankruptcy Code on December 8, 2009.

2. This Court has jurisdiction of this matter under 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157(b). This is a core proceeding under 28 U.S.C. §§ 157(b)(2)(A) and (O). Venue of this case is proper in this district pursuant to 28 U.S.C. §§ 1408(1) and (2).

Background

3. NHC was founded in 1972 as a distributor and retailer of homebuilding materials to construction contractors, homebuilders and do-it-yourself consumers primarily in Arkansas, Oklahoma, Kansas and Missouri. NHC's product lines include appliances, home décor, dimensional lumber, hardware, doors, a wide variety of other construction and homebuilding materials, and furniture.

4. At the time this case was filed Debtor operated retail home centers in Springdale, Russellville, Little Rock, Bentonville, North Little Rock, Conway, Fort Smith and

Clarksville, Arkansas and retail flooring centers in Springdale and Conway. On April 5, 2010, the Court entered an order approving the sale of substantially all of the Debtor's assets free and clear of all liens, claims, encumbrances, and other interests and the sale closed the same day.

5. Not included in the April 5, 2010 sale was certain real property owned by the Debtor in Clarksville, Arkansas. Debtor owns real property located at 1003 Interstate Drive in Clarksville, Arkansas (the "Interstate Drive Property" also known as the "84 Lumber Property") upon which a commercial building is located. Debtor also owns other property in Clarksville, Arkansas located at 1304 West Main Street (the "Main Street Property") which is not subject to this motion.

6. More complete information regarding Debtor, its business, the financial challenges experienced by the Debtor, the events leading to this chapter 11 case, and Debtor's objectives in reorganizing its financial affairs will be provided upon request.

Relief Requested

7. On or about September 18, 2010, Debtor received an offer pursuant to a Real Estate Contract (Commercial), a copy of which is attached hereto as Exhibit "A" and incorporated by this reference (the "Interstate Drive Contract"), from Meadors Management Group ("Meadors") for the purchase of the Interstate Drive Property, for a sales price of Five-Hundred Thousand Dollars (\$500,000.00).

8. The Interstate Drive Property is currently leased to Hanesbrands Inc. ("Hanesbrands"). Pursuant to the terms of the lease, Hanesbrands has a thirty (30) day right of first refusal to purchase the property on the same terms as set forth in the Interstate Drive Contract. Debtor has notified Hanesbrands of the Interstate Drive Contract and Hanesbrands'

option to exercise the right of first refusal on the same terms as set forth in the Interstate Drive Contract.

9. Under the terms of the Interstate Drive Contract, Debtor is required to pay costs associated with closing the transaction in an amount including a contractual fee to real estate brokers.

10. The Interstate Drive Property is unencumbered. There are no other interests in the Property known to Debtor.

11. Meadors is a third party purchaser and this is an arms-length transaction. Neither Debtor, its stockholders, officers, directors, nor employees have any relationship with Purchaser or any right to acquire any interest in the Property in the future.

12. Debtor seeks authority to sell the Interstate Drive Property free and clear of all liens and claims of creditors, for the gross sum of no less than \$500,000.00, and to pay reasonable costs of sale including real estate commissions under the terms of the Interstate Drive Contract and its listing agreement with Coldwell Banker Premier Realty.

13. The following are some of the business justifications for the sale of the Interstate Drive Property:

- (a) The Interstate Drive Property is not necessary for the operation or reorganization of Debtor's business;
- (b) Sale of the Interstate Drive Property will provide cash for Debtor's reorganization;

- (c) If the sale of the Interstate Drive Property is not permitted, Debtor will be required maintain the Property and incur additional operational expenses; and
- (d) The Interstate Drive Property has been listed and marketed for sale for over four years, testing the market price for the property.

14. The sale of the Interstate Drive Property as set forth herein is in the best interest of Debtor and its creditors. The purchase price for the Interstate Drive Property represents the fair market value of the Property.

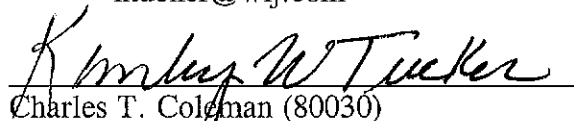
15. Debtor requests that the notice of the filing of this Motion be limited to the parties listed on the most recent Special Service List filed in this case as reflected in the Certificate of Service to this Motion which includes the U.S. Trustee, the secured lenders and creditors requesting notice.

16. ANY AND ALL OBJECTIONS TO THE DEBTORS' MOTION FOR AUTHORITY TO SELL REAL PROPERTY AS SET FORTH IN THIS MOTION MUST BE FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT, 200 WEST SECOND STREET, LITTLE ROCK, ARKANSAS AND SERVED ON THE UNDERSIGNED COUNSEL FOR THE DEBTOR NO LATER THAN OCTOBER 15 , 2010. IN THE EVENT NO OBJECTION TO THIS MOTION IS FILED WITHIN THE TIME STATED, DEBTOR INTENDS TO SUBMIT AN ORDER TO THE COURT GRANTING THE MOTION AS FILED. ANY OBJECTION TIMELY FILED AND SERVED WILL BE SCHEDULED FOR A HEARING BY SUBSEQUENT NOTICE.

WHEREFORE, Debtor requests that the Court enter an order (i) authorizing the sale of the Interstate Drive Property to either Meadors Management Group or Hanesbrands on the terms and conditions and for the consideration stated in the Interstate Drive Contract free and clear of all liens, (ii) authorizing Debtor to execute any instrument necessary or appropriate to consummate the proposed sales and transfer of the Property, (iii) authorizing the payment of reasonable costs of sale from the sales proceeds, including real estate commissions due on the sale; (iv) granting such other, further or different relief as may be proper to effect the sale of the Property pursuant to 11 U.S.C. § 363 free and clear of liens, (v) limiting the notice to the special service list, and (viii) granting all other relief to which Debtor is entitled.

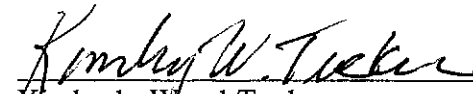
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CERTIFICATE OF SERVICE

I hereby certify a copy of the foregoing was sent via CM/ECF transmission and/or regular U.S. Mail, postage prepaid, to the parties listed on the Special Service List Dated September 22, 2010 [Docket No.836] this 22 day of September, 2010.


Kimberly Wood Tucker